



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	SB0291
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<b>Title:</b>	Montana railroad authority
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<b>Primary Sponsor:</b>	Black, Jerry W
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<b>Status:</b>	As Introduced-Revised
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$50,000	\$50,000	\$51,250	\$52,531
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Rev - Transfer	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$50,000)</u>	<u>(\$50,000)</u>	<u>(\$51,250)</u>	<u>(\$52,531)</u>

#### Description of fiscal impact:

This bill abolishes the Rail Service Competition Council that was established by the 2005 Legislature and establishes the Montana Railroad Development Authority (MRDA). The MRDA is attached to the Department of Transportation for administrative purposes. The authority would meet twice annually during the 2011 biennium

### FISCAL ANALYSIS

#### Assumptions:

##### **Department of Transportation**

1. The Montana Railroad Development Authority (MRDA) would be administratively attached to the Department of Transportation.
2. The authority will meet at least twice in FY 2010 and at least twice in FY 2011. The estimated cost for these meetings and related operating expenses is \$50,000 per year.
3. The MRDA does not have the authority and will not solicit or commission any engineering studies, legal analysis, pre-construction, or other similar activities without authorization and appropriation by the legislature.
4. This fiscal note makes no projection about the cost of any proposals the MRDA could recommend to the legislature for engineering studies, legal analysis, pre-construction, or other similar activities related to railroad facilities.

**Fiscal Note Request – As Amended***(continued)*

5. The MRDA does not have the authority and will not acquire, expand, construct, lease, improve, rehabilitate, maintain, operate, sell, or purchase any railroad facility without authorization and appropriation by the legislature.
6. This fiscal note makes no projection about the cost of any proposals the MRDA could recommend to the legislature for acquiring, expanding, constructing, leasing, improving, rehabilitating, maintaining, operating, selling, or purchasing railroad facilities.
7. If HB 537 is passed and approved, the bill would provide a \$50,000 annual appropriation from the general fund for operations of the MRDA (see Section 118 of SB 291). If HB 536 is not passed and approved, funding would be required in HB 2.
8. A 2.5% annual inflation rate is applied for the 2013 biennium.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$50,000	\$50,000	\$51,250	\$52,531
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$50,000	\$50,000	\$51,250	\$52,531
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$50,000)	(\$50,000)	(\$51,250)	(\$52,531)

**Long-Term Impacts:**

1. Sections 4 through 20 establish authority for the Montana Railroad Development Authority to undertake a wide variety of actions including the purchase of rail lines and other property within and outside of Montana and the construction of rail lines. Although it is not possible to determine the impact of these actions without specific information, there could be a significant long-term financial impact to the State of Montana associated with these actions.

**Technical Notes:**

1. Section 25 of this bill (page 17, line 24) amends 15-6-145, MCA, by adding noncentrally assessed railroad facilities owned or operated by the Montana railroad development authority to the list of property in class 12. It is unclear if this should actually be centrally assessed.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*